



MEMORANDUM



ATTACHMENT A

DATE: September 2007

TO: State Employees Eligible for Dental, FlexElect, or Consolidated Benefits

FROM: Department of Personnel Administration
Benefits Division

SUBJECT: 2007 Open Enrollment for Dental, FlexElect, and Consolidated Benefits Programs, 2008 Dental and Vision Plan Premiums, and 2008 CoBen Allowance Amounts

Open Enrollment for Dental, FlexElect, and Consolidated Benefits (CoBen) is September 17, 2007 through October 12, 2007. If you want to enroll in these benefit programs, or make a change to your current enrollment, contact your Personnel Office for the necessary forms.

Open enrollment forms must be signed and submitted to your Personnel Office no later than October 12, 2007. All open enrollment actions will be effective January 1, 2008.

You don't need to submit anything if you're not making any changes in your dental coverage or cash options. Permanent Intermittent employees who want to continue receiving the cash option must re-enroll. If you have a FlexElect reimbursement account and want to participate again next year, you need to re-enroll during open enrollment.

If you enroll in a FlexElect Reimbursement Account, FlexElect Cash Option, or CoBen Cash Option during the open enrollment period, or if you are automatically re-enrolled in the FlexElect/CoBen Cash Option, you have until December 31, 2007, to cancel your enrollment or make changes.

DENTAL BENEFITS

Your dental plan options are listed on page 2. Contact your Personnel Office for a brochure, list of participating dentists, and cost comparison, or call the dental plans. You may also obtain brochures and listings of participating dentists by accessing each plan's Web site at the addresses listed on page 2.

PMI has changed its name to DeltaCare USA. The new name, DeltaCare USA should be used in lieu of PMI on all open enrollment documents. There will be no change in the benefit or level of coverage.

Retroactive premiums for mandatory cancellations and/or deletions to your dental coverage will be reimbursed for a maximum period of six months. This limitation impacts all mandatory cancellations and/or deletions to your State-sponsored dental coverage. You may want to check your dental coverage enrollment through your Personnel Office and ensure that only eligible dependents are enrolled.

Delta Dental Plans

Delta Premier and Delta Preferred Provider Option (PPO) 1-800-225-3368
www.deltadentalca.org/state

Prepaid Dental Plans

DeltaCare USA 1-800-422-4234
www.deltadentalca.org

SafeGuard Dental Plan 1-800-880-1800
www.safeguard.net

The following charts show Delta's new dental premiums that go into effect January 1, 2008.

Delta Dental Premier Basic Plan for Represented Employees:

Coverage	2008 Total Premium	State Share	2008 Employee Share	Employee Share Increase
Employee only	\$48.07	\$36.05	\$12.02	\$0.28
Employee plus one dependent	\$85.12	\$63.84	\$21.28	\$0.60
Employee plus two or more dependents	\$123.75	\$92.81	\$30.94	\$0.94

Delta Dental Premier Enhanced Plan for Excluded Employees:

Coverage	2008 Total Premium
Employee only	\$50.06
Employee plus one dependent	\$100.08
Employee plus two or more dependents	\$141.22

Delta Dental Preferred Provider Option (PPO) for Excluded and Represented Employees:

Coverage	2008 Total Premium	State Share	2008 Employee Share	Employee Share Increase
Employee only	\$40.87	\$30.65	\$10.22	\$0.10
Employee plus one dependent	\$80.65	\$60.49	\$20.16	\$0.30
Employee plus two or more dependents	\$121.98	\$91.48	\$30.50	\$0.53

Prepaid Dental Plan 2008 Premiums

Premiums for DeltaCare USA and SafeGuard will remain the same in 2008. The State will continue to pay 100 percent of the premium for employees not in CoBen. For employees in CoBen, the State's share and employee's share do not apply. Therefore, the total dental premium will be deducted from the monthly CoBen allowance on their January 1, 2008, pay warrants (December 2007 pay period). Prepaid dental plans premiums are reflected below.

Coverage	SafeGuard Standard	SafeGuard Enhanced	DeltaCare USA
Employee only	\$15.11	\$14.78	\$17.35
Employee plus one dependent	\$24.48	\$25.02	\$28.47
Employee plus two or more dependents	\$34.29	\$30.82	\$39.38

Union-Sponsored Dental Plans: Bargaining Units 5 and 6

The California Association of Highway Patrolmen (CAHP) offers its own indemnity dental plan to BU 5 employees who are CAHP members; however, members may opt to enroll in a State-sponsored prepaid plan. The California Correctional Peace Officers Association (CCPOA) provides dental insurance to BU 6 employees who are CCPOA members.

Employees in BU 5 and 6 should contact their Benefit Trust for information on their union-sponsored dental plan premiums and benefits.

CONSOLIDATED BENEFITS

All excluded employees and employees represented by BUs 2, 7, 8, 16, 17, 18, and 19 are in CoBen. The State provides you a benefit allowance to purchase health, dental, and vision benefits. If the total cost of the plans you choose is less than your CoBen allowance, you receive the difference as taxable income. If the total cost of the plans is more than the CoBen allowance, the difference is deducted from your pay warrant pre-tax.

Dependent Vesting and Rank and File Employee CoBen Allowance Amounts

Dependent Vesting Criteria

New employees who have never had State health benefit coverage may be subject to dependent health vesting. Employees in bargaining units that have contracted for dependent vesting are provided with 50 percent of the employer dependent contribution the first 12 months, and 75 percent of the employer dependent contribution for months 13 through 24. After 24 months, these employees will receive the full employer dependent contribution applicable to their bargaining unit.

Bargaining Unit 2 and 7 employees who first become eligible for health benefit enrollment on or after July 1, 2006, and BUs 16, 17, and 19 employees who first become eligible for health benefit enrollment on or after January 1, 2007, are subject to a two year vesting schedule for the health portion of the employer benefit allowance for dependents.

Following are the CoBen allowance amounts effective January 1, 2008, for employees in BUs 2, 7, 8, 16, 17, 18, and 19.

The CoBen allowances for BU 7, 16, 17, 18, and 19 employees are as follows:

Units 7, 16, 17, 18, and 19	<u>2008</u>
Employee only	\$416
Employee plus one Dependent	\$813
Employee plus two or more dependents	\$1,061

The CoBen allowances for BU 7 employees who first become eligible for health benefit enrollment on or after July 1, 2006 and the CoBen allowances for BUs 16, 17, 18, and 19 employees who first become eligible for health benefit enrollment on or after January 1, 2007 are as follows:

Units 7, 16, 17, 18, and 19	50% Vesting <u>2008</u>	75% Vesting <u>2008</u>
Employee only	\$416	\$416
Employee plus one Dependent	\$628	\$721
Employee plus two or more dependents	\$767	\$914

Bargaining Unit 2 has an expired contract. As of the date of this memo, the following rates will be effective January 1, 2008. However, the collective bargaining process is fluid and changes may be agreed to which alter these amounts. DPA will notify departments if there are subsequent changes to these rates.

The CoBen allowances for BU 2 employees who first become eligible for health benefit enrollment before July 1, 2006 are as follows:

Unit 2	<u>2008</u>
Employee only	\$365
Employee plus one Dependent	\$696
Employee plus two or more dependents	\$906

The CoBen allowances for BU 2 employees who first become eligible for health benefit enrollment on or after July 1, 2006 are as follows:

Unit 2	50% Vesting <u>2008</u>	75% Vesting <u>2008</u>
Employee only	\$365	\$365
Employee plus one Dependent	\$544	\$620
Employee plus two or more dependents	\$663	\$784

The following CoBen Unit does not have dependent vesting:

Unit 8	<u>2008</u>
Employee only	\$439
Employee plus one Dependent	\$836
Employee plus two or more dependents	\$1,084

The CoBen allowance for Excluded employees is determined by DPA. Effective January 1, 2008, the CoBen allowances for all excluded employees are as follows:

	<u>2008</u>
Employee only	\$441
Employee plus one dependent	\$847
Employee plus two or more dependents	\$1,097

If you have health and dental coverage through another source, you may enroll in the CoBen Cash Option. These amounts are \$155 a month in-lieu of health and dental coverage, and \$130 a month in-lieu of health coverage only. To enroll in a CoBen Cash Option, complete a

Consolidated Benefits (COBEN) Cash Enrollment Election (STD. 702) form during open enrollment.

For details, refer to the 2008 CoBen handbook that is available and can be downloaded from DPA's Web site at www.dpa.ca.gov (click on Publications).

CoBen Calculator

If you are going to make a change in your benefit choices during the open enrollment period, you may want to use the CoBen Calculator on DPA's Web site, which will help you determine how much will be deducted from your paycheck, or added to it, based on which health and dental plans you choose. You simply click on your health and dental plan choices, and how many dependents will be covered.

The calculator automatically computes the total cost of the benefits you select and subtracts them from the CoBen allowance. The result shows whether you will have a monthly benefit deduction or receive extra cash. There are two separate calculators, one for excluded employees and another for rank and file employees in BUs 2, 7, 8, 16, 17, 18, and 19. The CoBen calculator is located at www.dpa.ca.gov (click on Benefits and then click on Consolidated Benefits).

FLEXELECT

If you have health and/or dental coverage through another source, you can opt for cash in-lieu of your State-sponsored benefit. The FlexElect Cash Option is \$128 a month for health and \$12 a month for dental. To enroll in FlexElect Cash Option, complete a Cash Option Enrollment Authorization (STD. 701C) form during open enrollment. FlexElect also offers reimbursement accounts that allow you to use pre-tax salary to pay for dependent care and/or medical care that aren't covered by insurance. To enroll in a FlexElect Reimbursement Account, complete a Reimbursement Account Enrollment Authorization (STD. 701R) form during open enrollment.

For details, refer to the 2008 FlexElect handbook that is available and can be downloaded from DPA's Web site at www.dpa.ca.gov (click on Publications).

VISION PROGRAM

The premium paid to Vision Service Plan (VSP) for vision coverage will remain at the current rate of \$9.19 and will continue to be fully paid by the State. State employees' vision coverage is automatically established for employees and their eligible dependents and no form is required to enroll, add, or delete dependents during open enrollment. Therefore, employees need to continue to ensure that only eligible dependents are provided services under their State-sponsored vision plan.

COBRA CONTINUATION COVERAGE ENROLLEES

COBRA enrollees have the same rights as active employees to make allowable changes to their coverage during the annual open enrollment period. Specific instructions will be sent to all COBRA enrollees in dental coverage by DPA prior to the beginning of the open enrollment period.

To learn more about Dental, FlexElect, and CoBen or for questions regarding the 2007 open enrollment period, please contact your Personnel Office. You may also visit DPAs Web site at www.dpa.ca.gov (click on Benefits).